

*****U N C L A S S I F I E D*****S COPY

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TO AMEMBASSY BRUSSELS

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TO LARRY EAGLEBURGER FOR SECRETARY KISSINGER

OIL--CUTS

KUWAIT, DEC. 9, RUETER--THE ARAB OIL STATES HAVE DECIDED TO RESUME FIVE PER CENT MONTHLY PRODUCTION CUTS STARTING IN JANUARY, ACCORDING TO A STATEMENT ISSUED HERE TODAY.

AT THE SAME TIME, THEY ANNOUNCED A PROGRAM TO RESTORE SUPPLIES TO THE WORLD GRADUALLY IF ISRAEL IMPLEMENTED AN AGREEMENT TO WITHDRAW FROM ARAB LANDS.

THE STATEMENT, ISSUED FROM THE KUWAIT FINANCE AND OIL MINISTRY THIS MORNING, REPORTED DECISIONS TAKEN HERE LAST NIGHT AT A MEETING OF MINISTERS OR THEIR DEPUTIES FROM MEMBERS OF THE ORGANIZATION OF ARAB PETROLEUM EXPORTING COUNTRIES (OAPEC). ARAB OIL DELEGATIONS MET BEHIND CLOSED DOORS LAST NIGHT TO REVIEW THEIR "OIL WEAPON" POLICY IN THE LIGHT OF DECISIONS TAKEN AT THE RECENT ARAB SUMMIT CONFERENCE IN ALGIERS. THE STATEMENT CONFIRMED THAT NO FURTHER FIVE PER CENT PRODUCTION CUT WAS BEING APPLIED FOR THE CURRENT MONTH ON TOP OF THE MINIMUM CUTBACK OF 25 PER CENT EARLIER AGREED BY THE ARAB PRODUCERS.

IT WENT ON: "IF WITHDRAWAL FROM ALL ARAB TERRITORIES OCCUPIED SINCE 1967, INCLUDING FIRST AND FOREMOST THE CITY OF JERUSALEM, HAS BEEN AGREED UPON, AND ACCORDING TO A TIME SCHEDULE SIGNED BY ISRAEL, AND ITS EXECUTION IS GUARANTEED BY THE UNITED STATES, THE BAN ON OIL EXPORTATIONS TO THE UNITED STATES SHALL BE LIFTED AS SOON AS THE IMPLEMENTATION OF THE WITHDRAWAL TIME SCHEDULE BEGINS.

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ON-FILE NSC RELEASE INSTRUCTIONS APPLY

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